
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 1.22.2010

Wall Street Journal: "New Bank Rules Sink Stocks ... President Barack Obama proposed new limits on the size and activities of the nation's largest banks, pushing a more muscular approach toward regulation that yanked down bank stocks and raised the stakes in his campaign to show he's tough on Wall Street."

Wall Street Journal: "Fed's Bernanke Faces Tighter Vote in Senate ... Ben Bernanke's confirmation for a second term as Federal Reserve chairman will go down to the wire and could be a closer vote than seemed likely just a few weeks ago."

Wall Street Journal: "Fannie, Freddie Losses May Hit U.S. ... The U.S. government's move to deepen its ties to mortgage-finance giants Fannie Mae and Freddie Mac by agreeing to absorb unlimited losses for the next three years is igniting a debate over whether it should bring the business operations of the companies onto its books."

Wall Street Journal: "Banks Need Clear Capital Rules ... In the case of The Public v. The Banks, the indictment and trial have ended. Now it's time for sentencing. Unfortunately, the punishment is being doled out piecemeal and by politicians eager for populist support."

Washington Post: "Obama's 'Volcker Rule' shifts power away from Geithner ... For much of last year, Paul Volcker wandered the country arguing for tougher restraints on big banks while the Obama administration pursued a more moderate regulatory agenda driven by Treasury Secretary Timothy F. Geithner."

Washington Post: "Obama proposes tough limits on largest banks ... President Obama expanded his new offensive on Wall Street on Thursday, proposing rules that would impede the growth of the largest banks and bar them from making what he called "reckless" investments."

Washington Post: "Obama's bank solution goes too far -- and not far enough ... Last week and again Thursday, President Obama took aim at the central challenge in financial regulation: The top Wall Street behemoths have grown too big to fail. But despite two runs at the problem, Obama has yet to propose the correct solution. Last week he was too timid. Yesterday he went too far."

NY Times: "With Populist Stance, Obama Takes On Banks ... The tougher approach to financial regulation that President Obama outlined on Thursday reflected a changed political climate, the rebound in big banks' fortunes after their taxpayer bailout and a shift in power within the administration away from those who had been seen as most sympathetic to Wall Street."

NY Times: "Obama's Move to Limit 'Reckless Risks' Has Skeptics ... President Obama wants to cut down to size those too-big-to-fail banks. But his vow on Thursday to rewrite the rules of Wall Street left many questions unanswered, including the big one: Would this really prevent another financial crisis?"

NY Times: "Treasury Weighs Fixes to Foreclosures Program ... The Obama administration plans next week to revamp its \$75 billion program aimed at sparing homeowners from foreclosure, streamlining the documents required of borrowers seeking lowered payments, according to financial industry executives and others who have met in recent days with Treasury officials."

NY Times: "A Bomb Squad for Wall Street ... Gather round people, today we are going to discuss the highly opaque but

hugely important topic of "O.T.C. derivatives," or securities that derive their value from other securities and are traded between institutions "over-the-counter," rather than on an exchange where they can be more closely regulated and monitored."

LA Times: "Geithner: We're not trying to break up the banks ... Treasury Secretary Timothy F. Geithner insists that the Obama administration doesn't want to break up the biggest banks."

LA Times: "Obama calls for new restrictions on biggest banks ... Culminating weeks of increasingly angry words and bolder action aimed at Wall Street, President Obama proposed the toughest new restrictions yet on the nation's largest banks in the aftermath of the financial crisis."

USA Today: "Stocks slide on tougher bank rules; Dow turns negative for year ... The stock market stumbled Thursday as President Obama proposed an overhaul of the nation's banking system that could limit financial companies' ability to make huge profits on trading."

USA Today: "Obama takes on banks and their 'obscene bonuses' ... President Obama sent a sharp message to big banks and their lobbyists Thursday:"

Reuters: "Key House Republicans seeks to cut pay for Fannie Freddie execs ... A group of top Republicans on the House Financial Services Committee want to slash the pay of executives at mortgage giants Fannie Mae and Freddie Mac by 97 percent."

Washington Examiner: "Timothy P. Carney: Beware the Goldman Sachs populist ... "If these folks want a fight," President Obama said Thursday, tossing a rhetorical barb at Wall Street, "it's a fight I'm ready to have.""

Politico: "Cold Senate reception for Ben Bernanke ... The Massachusetts election storm is sending a few cold waves over the bow of the White House economic team-not to mention Federal Reserve Chairman Ben Bernanke."

Politico: "Volcker's days in the cold are over ... Paul Volcker is back."

Politico: "Obama's financial reform falls short ... The one thing everyone agrees on about the Massachusetts Senate election is that it showed voters are frustrated and furious at politicians."